

# **CITY OF CHESTER SMALL BUSINESS LOAN PROGRAM**

**APPLICATION PACKET**



**CHESTER ECONOMIC DEVELOPMENT AUTHORITY  
511 WELSH STREET  
P.O. BOX 407  
CHESTER, PA 19016-0407  
(610) 447-7850**



## **CHESTER SMALL BUSINESS LOAN PROGRAM**

### **SUMMARY OF PROGRAM GUIDELINES**

- PURPOSE:** The purpose of the Chester Small Business Loan Program is to expand economic opportunities and create or retain employment for low to moderate income persons and to promote the growth and development of existing and new business and industry in the City of Chester.
- ELIGIBLE USES:** Acquisition of land and building, building construction, leasehold improvements, building rehabilitation, machinery and equipment, training costs and working capital.
- ELIGIBLE APPLICANTS:** For-profit businesses that are currently located in Chester or that are locating in Chester.
- LOAN AMOUNTS:** 50% of project cost. Minimum loan is \$5,000.00. Maximum loan based on source of funding (e.g. CDBG funded loan maximum is \$100,000.00)
- TERMS:** Loan terms will be based on the use of funds and can range from one (1) year to fifteen (15) years.
- INTEREST RATE:** Fixed rate of three (3) percent.
- FEES:**
- \$200.00 Application Fee
  - One Percent (1%) Commitment Fee (At Closing)
  - One Percent (1%) Loan Servicing Fee (Monthly)
  - Loan Processing Costs
- COLLATERAL:** Acceptable collateral will be required on all loans sufficient to cover the amount of the loan. Loans will subordinate to bank loans.
- GUARANTEES:** Personal loan guarantees will be required.

**JOB CREATION:** One new full time equivalent job for each \$25,000.00 of loan funds must be created. For CDBG funded loans recipient must agree that 51% of all jobs created will be held by or made available to low to moderate-income individuals.

**JOB RETENTION:** One full time equivalent job for each \$25,000.00 of loan funds. For CDBG funded loans recipient must document that without CDBG assistance, the jobs would actually be lost and that at least 51% of the retained jobs are held by low to moderate income persons or that, upon turnover, steps will be taken to assure that jobs are filled or made available to low to moderate income individuals.

**MONITORING:** Loan recipients must: 1) agree to periodic review and monitoring of job creation and job retention efforts; 2) maintain job certification forms, provided by CEDA for a minimum period of one year and a maximum period not to exceed the term of the loan

**INELIGIBLE USES:** Including but not limited to: residential purposes; investment or speculative purposes, including passive real estate ownership; manufacturing or sale of products used in illegal or illicit activities; manufacture, sale or distribution of sexually oriented materials, products or services; religious oriented services or activities; private clubs, hot tub facilities or massage parlors; refinancing of existing indebtedness.

**OTHER:**

- No prepayment penalty.
- Only one loan per year.
- Ownership of real estate/asset may not be transferred during the term of the loan.

**FOR MORE INFORMATION CONTACT:**

James E. Turner  
Director of Economic Development  
Chester Economic Development Authority  
511 Welsh Street, P.O. Box 407  
Chester, PA 19016  
Phone: (610) 447-7870

# Loan Application

This form indicates the information the Chester Economic Development Authority considers significant in making its decision on this application. It is important that the applicant provide all the information requested. If there is insufficient space to answer completely, applicant should attach additional pages or schedules as necessary.

Date: \_\_\_\_\_

Applicant \_\_\_\_\_

Co-Applicant \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-Mail \_\_\_\_\_

E-Mail \_\_\_\_\_

Area Code and Telephone Number \_\_\_\_\_

Area Code and Telephone Number \_\_\_\_\_

Social Security #/Federal Tax I.D. # \_\_\_\_\_

Social Security #/Federal Tax I.D. # \_\_\_\_\_

**Provide a break down of how you will use funds by categories**

I. Purpose of Loan(s)	CEDA	Borrower	Other	Total Project Cost*
Working Capital	\$ _____	\$ _____	\$ _____	\$ _____
Inventory	\$ _____	\$ _____	\$ _____	\$ _____
Machinery & Equipment	\$ _____	\$ _____	\$ _____	\$ _____
Capital/Leasehold Impr.	\$ _____	\$ _____	\$ _____	\$ _____
Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total Project Cost</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

**\*Note: At least 10% of total funds required must be provided by Borrower.**

**II. Type of Entity**

Proprietorship

Partnership

Corporation

Date Organized \_\_\_\_\_

State \_\_\_\_\_

Attached as appropriate: Fictitious Title, Partnership Agreement, Certificate of Incorporation (include all amendments).

Contact Person \_\_\_\_\_ Title \_\_\_\_\_ Phone # \_\_\_\_\_

**III. Ownership (List all partners or stockholders if Partnership or Corporation)**

---

Stockholder/Partner	Class of Stock/Type of Partner	No. of Shares	Percentage Owned
---------------------	--------------------------------	---------------	------------------

---

Stockholder/Partner	Class of Stock/Type of Partner	No. of Shares	Percentage Owned
---------------------	--------------------------------	---------------	------------------

---

Stockholder/Partner	Class of Stock/Type of Partner	No. of Shares	Percentage Owned
---------------------	--------------------------------	---------------	------------------

**IV. Management**

Attach Job Description of all key management personnel with major responsibilities, i.e. name, title, age, education (high school and college), responsibilities, date of employment. Indicate the relationship between the principals if any.

---

Name	Title	Ownership
------	-------	-----------

---

Address	Social Security #	Annual Compensation
---------	-------------------	---------------------

---

Name	Title	Ownership
------	-------	-----------

---

Address	Social Security #	Annual Compensation
---------	-------------------	---------------------

**(Include other names on an attached sheet)**

**V. Proposed Guarantors**

---

Name	Address	Social Security #	Federal Tax I.D. #
------	---------	-------------------	--------------------

---

Name	Address	Social Security #	Federal Tax I.D. #
------	---------	-------------------	--------------------

**VI. Type of Business**

Manufacturing       Retailing       Service       Other: \_\_\_\_\_  
Current Employment: - Full-Time \_\_\_\_\_      Part-Time \_\_\_\_\_

How many employees do you plan on hiring? Year one \_\_\_\_\_ Year two \_\_\_\_\_ Year three \_\_\_\_\_ Three year total \_\_\_\_\_

Briefly describe the business \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Business Loan Application**

**VII. Banking Relations**

Bank Accounts	Bank Name	Account Number	Approx. Balance
<b>Checking Account:</b>	_____	_____	_____
<b>Savings Account:</b>	_____	_____	_____
<b>Other Deposit Accounts:</b>	_____	_____	_____
	_____	_____	_____
<b>Loan Accounts</b>	_____	_____	_____
	_____	_____	_____

**VIII. Accounts Payable (Please list your four most substantial trade suppliers in order of amounts.)**

Name	Address	Tele. #	Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**IX. Real Estate**

Do you own or rent Business Property?  Own  Rent  
 If you have a lease, what is the expiration date? \_\_\_\_\_  
 (Please include a copy of your lease)  
 If you own, name of mortgage Co. \_\_\_\_\_

Do you own or rent Personal residence?  Own  Rent  
 If you have lease, what is the expiration date? \_\_\_\_\_  
 (Please include a copy of your lease)  
 If you own, name of mortgage Co. \_\_\_\_\_

**X. Insurance**

**Real Estate:**

Company	Address	Tele. #	Agent Name
<b>Equipment/Inventory:</b>	_____	_____	_____

Company	Address	Tele. #	Agent Name
<b>Liability:</b>	_____	_____	_____

Company	Address	Tele. #	Agent Name
<b>Workers Comp.:</b>	_____	_____	_____

Company	Address	Tele. #	Agent Name
<b>Life Insurance:</b>	_____	_____	_____

Company	Address	Tele. #	Agent Name
	_____	_____	_____

**XI. Personal Liabilities**

Have you ever owned a business? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

Have you ever failed in business \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

Have you ever filed bankruptcy? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

Are you aware of any judgments against you? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, explain: \_\_\_\_\_  
\_\_\_\_\_

**XII. Contingent Liabilities**

Does the applicant have any contingent liabilities (e.g. pending lawsuit, Federal, State or City tax liabilities, etc.)  
\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please provide details \_\_\_\_\_

What is the date of your most recent Federal Income Tax Audit? \_\_\_\_\_

Please describe any litigation involving the company, its principals, subsidiaries or affiliates. If none, so state.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have any of the applicant's stockholders, partners, officers or directors ever been convicted of any criminal offense, other than a motor vehicle violation?

\_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please provide details \_\_\_\_\_

Is the applicant, or any stockholder, partner, officer or director presently a plaintiff or defendant in any civil or criminal proceeding? \_\_\_\_\_ YES \_\_\_\_\_ NO

If yes, please provide details \_\_\_\_\_

**XIII. Other Information**

Our/My Accountant is \_\_\_\_\_ Phone # \_\_\_\_\_  
Our/My Attorney is \_\_\_\_\_ Phone # \_\_\_\_\_  
Union Affiliation: Union Name \_\_\_\_\_ Contact Person \_\_\_\_\_

I/We Authorize the Chester Economic Development Authority (CEDA) to make whatever credit inquiries it deems necessary in connection with this credit application or in the course of review or collection of any credit extended to the applicant(s). I/We Authorize and instruct any person or consumer reporting agency to compile and furnish to CEDA any information it may have to in response to such credit inquiries and agree that same shall remain your property, whether or not credit is extended.

I/We, the undersigned request on behalf of \_\_\_\_\_ (“Applicant”) that this application be accepted for review. I hereby certify that the information contained herein and the attachments hereto are accurate and complete. I understand that any material misstatement or misleading statement here is cause for denial, rescission of any approval or benefits received in connection with this application.

On behalf of myself and all other principals of Applicant, I/We authorize CEDA to initiate their background clearance procedure with respect to myself, Applicant and its other principals, if any. I, all principals of Applicant, and Applicant further agree to cooperate in all phases of CEDA background clearance procedure. I, all other principals of Applicant, and the Applicant agree to hold CEDA harmless with respect to any claims for injury, damage, loss or expense which may arise should the above mentioned background clearance procedure not be completed satisfactorily.

I/We, understand that CEDA may be requested to disclose the information contained in the application and the attachments thereto, under applicable disclosure laws, or at the request of investigative, law enforcement or other governmental bodies. On behalf of myself, all other principals of applicant, and the Applicant, I authorize CEDA to disclose any such information, under such law or where so requested, and I release CEDA from any liability to the Applicant, all other principals, or myself for such disclosure.

I/We hereby authorize CEDA to transmit this application or any information submitted herewith to providers of technical assistance such as the Small Business Development Centers, and any other referral agency as CEDA may deem appropriate. On behalf of myself, all other principals of Applicant, and Applicant. I further agree that CEDA shall not be liable for any assistance or advice given by such referral entity.

If credit is denied, I have the right to make a written request for and to receive a statement of the specific reasons for rejection of this application.

---

Dated \_\_\_\_\_ Signature and Title of Applicant \_\_\_\_\_

---

Dated \_\_\_\_\_ Signature and Title of Co-Applicant \_\_\_\_\_

### **Additional Required Information**

- Three years of company financial statements, including balance sheets, profit and loss statements, and most recent interim statement prepared by accountant.**
- Current personal financial statement.**
- Three years of personal and corporate income tax returns (federal and state).**
- Business plan, including the type of business, product or service, competition, and management expertise.**
- Resume of owner(s) and key management personnel.**
- Cash flow projections for three years: the first to show projections on a monthly basis; second year on a quarterly basis; and, an annual projection for the third year. (Profit & Loss/Income Statement Format)**
- Financial statement on guarantor(s), if any**
- List of Project Cost.**
- Unsigned Sales Agreement for Real Estate.**
- Unsigned Sales Agreement for Inventory.**
- Estimates for Renovations to Real Estate.**
- Estimates for Purchases of Furniture, Fixtures and Equipment.**
- Unsigned Lease OR Statement from Landlord giving terms of proposed lease.**
- Copy of Articles of Incorporation and By-Laws OR Partnership Agreement**
- Proposed Collateral to be pledged for loan.**
- Information of Life Insurance – Company Name, Policy #, Amount, & Owner.**

**Note: CEDA cannot proceed to review your loan request until all of the information indicated has been submitted.**

# Personal Financial Application

Statement Date \_\_\_\_\_

Individual Name \_\_\_\_\_ Business Phone \_\_\_\_\_

Residence Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Residence Phone \_\_\_\_\_ Email Address \_\_\_\_\_

Spouse Name \_\_\_\_\_ Business Phone \_\_\_\_\_

Residence Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Residence Phone \_\_\_\_\_ Email Address \_\_\_\_\_

## IMPORTANT: DIRECTIONS TO APPLICANT

**Read directions before completing Financial Statement.**

**Please check appropriate box**

- Individual credit—Spouse must sign if assets are jointly owned.
- Any owner, or limited partner who owns 20% or more interest and each general partner, or each stockholder owning 20% or more of voting stock, or any person or entity providing a guaranty on the loan

**Complete the schedules on pages 2 & 3 first, then use the totals from the schedules to complete the chart below.**

**Please do not leave any questions unanswered. Use "no" or "none" where necessary.**

<i>Assets</i>	<i>In Even Dollars</i>	<i>Liabilities and Net Worth</i>	<i>In Even Dollars</i>
Cash on hand and in Banks—See Schedule A	\$	Notes Payable: Bank—See Schedule B	\$
U.S. Government Securities—See Schedule C		Notes Payable: Other Institutions—See Schedule B	
Listed Securities—See Schedule C			
Unlisted Securities—See Schedule C		Notes Payable—Relatives	
Other Equity Interests—See Schedule C		Notes Payable—Others	
Accounts and Notes Receivable		Accounts and Bills Due	
Real Estate Owned—See Schedule D		Unpaid Taxes	
Mortgages Receivable—See Schedule E		Real Estate Mortgages Payable—See Schedule D	
Cash Value Life Insurance—See Schedule F		Life Insurance Loans—See Schedule F	
Other Assets: Itemize		Other Liabilities: Itemize	
		<b>TOTAL LIABILITIES</b>	\$
		<b>NET WORTH</b>	\$
<b>TOTAL ASSETS</b>	\$	<b>TOTAL LIABILITIES AND NET WORTH</b>	\$

Sources of Income	In Even Dollars	General Information
Salary (Insert Name of Employer(s)) _____	\$	Partner, officer or owner in any other venture? <input type="checkbox"/> No <input type="checkbox"/> Yes
Bonus and Commissions		If so, explain:
Dividends		Are any assets pledged? <input type="checkbox"/> No <input type="checkbox"/> Yes Detail in Schedule A
Real Estate Income		Income taxes settled through (Date) _____
*Other Income: Itemize		*Alimony, child support or separate maintenance payments need not be disclosed unless relied upon as a basis for extension of credit. If disclosed, payments received under <input type="checkbox"/> court order <input type="checkbox"/> written agreement <input type="checkbox"/> oral understanding.
<b>TOTAL</b>	\$	

Contingent Liabilities	In Even Dollars	General Information (continued)
As endorser, co-maker or guarantor	\$	Are you a defendant in any suits or legal action? <input type="checkbox"/> No <input type="checkbox"/> Yes
On leases		If so, explain:
Legal claims		Have you ever filed bankruptcy? <input type="checkbox"/> No <input type="checkbox"/> Yes
Provision for federal income taxes		If so, explain:
Other special debt, e.g., recourse or repurchase liability		Do you have a will? <input type="checkbox"/> No <input type="checkbox"/> Yes With whom?
		Do you have a trust? <input type="checkbox"/> No <input type="checkbox"/> Yes With whom?
<b>TOTAL</b>	\$	Number of dependents _____ Ages _____

**Schedule A: Cash on Hand and in Financial Institutions** (Banks, Money Market Funds, Credit Unions, etc.) – List the names of all institutions where you have cash on deposit. Clearly identify retirement accounts. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.

Name of Institution	Name on Account	Balance on Deposit	Pledged	
			Yes (☐)	No (☐)
<b>TOTAL</b>				

**Schedule B: Notes Payable** – List the names of all the institutions or individuals from whom you have obtained loans. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.

Name of Institution	Name on Account	Original Amt. or High Credit	Amount Owing	Monthly Payment	Secured by What Assets
<b>TOTAL</b>					

<b>Schedule C: U.S. Governments, Stocks (Listed &amp; Unlisted), Bonds (Gov't &amp; Comm.), and Partnership Interests (General &amp; Ltd.)</b>					
Number of Shares, Face Value (Bonds), or % of Ownership	Indicate: 1. Agency or name of company issuing security or name of partnership 2. Type of investment or equity classification 3. Basis of valuation*	In Name of	*Market Value	Pledged	
				Yes ( )	No ( )
<b>TOTAL</b>					

\* If unlisted security or partnership interest, provide current financial statements to support basis for valuation

<b>Schedule D: Real Estate Owned (and related debt, if applicable) – List each property separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.</b>			
	Property A	Property B	Property C
Type of Property			
Address			
City, State, Zip			
Date Purchased			
Purchase Price			
Present Market Value*			
Mortgage Holder			
Original Mortgage Amount			
First Mortgage Balance			
Other Mortgage Balances			
Monthly Payment – 1 <sup>st</sup>			
Monthly Payment – Other			
Status			

\* Indicate basis for valuation (i.e. recent appraisal, comparable sales in neighborhood, realtor valuation, other (specify)).

<b>Schedule E: Real Estate: Mortgages Receivable (and related debt, if applicable) List each property separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.</b>							
Description of Property or Address	Title in Name Of	Date Acq.	Balance Receivable	Monthly Payment	Mortgage or Land Contract Payable		
					Bal. Owing	Mo. Pmt.	Holder
1.							
2.							
<b>TOTAL</b>							

<b>Schedule F: Life Insurance Carried</b>				
Name of Company	Face Amount	Cash Surrender Value	Loans	Beneficiary
<b>TOTAL</b>				

I/we have carefully read and submitted the foregoing information provided on all three pages of this statement to the Bank named above. The information is presented as a true and accurate statement of my/our financial condition on the date indicated. This statement is provided to Chester Economic Development Authority. (CEDA) for the purpose of obtaining and maintaining credit with said organization. I/we agree that if any material change(s) occur(s) in my/our financial condition that I/we will immediately notify CEDA of said change(s) and unless CEDA is so notified it may continue to rely upon this financial statement and the representations made herein as a true and accurate statement of my/our financial condition.

I/we authorize CEDA to make whatever credit inquiries it deems necessary in connection with this financial statement. I/we authorize and instruct any person or consumer-reporting agency to furnish to CEDA any information that it may have or obtain in response to such credit inquiries.

**I/we also hereby certify that no payment requirements listed herein are delinquent or in default except as follows; if "NONE" so state.**

---

**I/we fully understand that it is a federal crime punishable by fine or imprisonment or both to knowingly make any false statements concerning any of the above facts, pursuant to 18 U.S.C. Section 1014.**

Applicant's Signature	Date Signed	Social Security No.	Date of Birth
_____	_____	_____	_____
Spouse's or Co-Applicant's Signature	Date Signed	Social Security No	Date of Birth
_____	_____	_____	_____